GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:6038
ANSWERED ON:31.08.2001
COMPLAINTS AGAINST SANCHAYANI SAVINGS AND INVESTMENT CO.
DR. KIRIT SOMAIYA

Will the Minister of FINANCE be pleased to state:

(a) whether the Government have received several complaints against Sanchayani Savings and Investment Co.;

(b) whether several Investors Associations including Investors Grievances Forum have lodged complaint regarding this;

(c) if so, the details thereof; and

(d) the action taken by the Government in this regard ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a):- Yes, Sir.

(b):- No, Sir.

(c):- Does not arise.

(d):- Sanchayani Savings and Investment (I) Ltd. (SSIL) was prohibited by the Reserve Bank of India on November 23, 1994 from acceptance of deposits. However, Calcutta High Court set aside the Prohibitory Order on July 23, 1996. The Bank on February 6, 1999 instructed the Company to stop immediately accepting fresh deposits and a special officer was also appointed to oversee the functioning of the Company with effect from April 1, 1999. The Company filed a Writ Petition before the Bombay High Court, Nagpur Bench challenging the appointment of special officer as also the instructions relating to non-acceptance of deposits. By an interim order dated April 13, 1999 the Nagpur Bench of the Bombay High Court has directed the maintenance of status quo. The Calcutta High Court, in its order dated August 6 and 10, 1999 had restrained the Company by an order of injunction from accepting any further deposits and directed the appointment of Hon`ble Justice Amal Kumar Chatterjee, a retired Judge, as a Special Officer of SSIL. The Division Bench, in its interim order dated 15th September 1999, allowed the continuance of the Special Officer appointed by the trial court. The SSIL has filed a Special Leave Petition before the Supreme Court of India on November 3, 1999 against the Division Bench order. Pending further order, an order of status quo as of November 3, 1999 was passed by the Supreme Court of India on November 22, 1999. The Bank has filed a transfer petition on April 28, 2000 before the Supreme Court for transferring all the cases, filed by the Company at various Courts, to the Supreme Court and prohibit the Company from accepting deposits from public. The matter is pending in the Supreme Court.